

MEMORANDUM

TO: Board of Trustees, School and Institutional Trust Lands Administration

FROM: Troy Herold, Project Manager

RE: **Update on Minor Transaction: Notice of Land Sale
Midland Drive Industrial Parcel, Ogden, UT.**

Date: September 27, 2016

Fund: **Schools**

Update

This transaction was originally noticed to the Board on their September 16, 2015 meeting.

UDOT's Transportation Commission was not able to approve this transaction until funding was available. As a result, approval was not received until their March 18, 2016 Commission Meeting. Additional delays with UDOT on coordinating documents prior to closing resulted in UDOT providing the signed Certificate of Sale on September 15, 2016.

On July 6, 2016; the appraiser confirmed that land values in the region and for the industrial market had not shifted and were within a 2% (up or down) adjustment from the original appraised value. Delay in revising an appraisal, reapproval by UDOT and the Trust, as well as revisions to the negotiated closing documents were determined to not be in the best interests of the Trust.

As it is just past the 1 year mark , SITLA Staff are notifying the Board of this transaction for informational purposes.. We expect to have closing completed within the next 30-45 days.

Content of the original Board Notification Memo follows below:

Transaction Summary

The Trust has agreed to sell the property to the Utah Department of Transportation based on a September 2014 appraised value of \$610,000 (\$3/sf or \$130,680/acre). UDOT has scheduled this transaction approval on their September 2015 Transportation Commission agenda for purchase from UDOT's Corridor Preservation Funds.

Background

The Trust holds a 4.7 acre parcel adjacent to and south of the Ogden Industrial Park along Midland Drive (Exhibit A). In September 2014, the Trust received an offer to purchase the parcel from an industrial lot developer in the Ogden area. As part of that potential transaction, an appraisal valued the property at \$3/sf (rounded to \$610,000 for the 4.7 acres). This was higher than the purchase offer and the industrial lot developer was not willing to proceed. Having a current appraisal, Trust staff chose to advertise the property.

Several inquiries were received as well as new information about a pending UDOT project to re-align Midland Drive “through” the SITLA parcel. (Exhibit B) UDOT has expressed interest in acquiring the entire parcel and will use the surplus portions of the property for staging equipment during the realignment and construction.

Economic Evaluation

At the time of receiving the initial offer from the industrial lot developer, the property was appraised (September 23, 2014) and a value was established at \$3/sf - \$610,000 for the 4.7 acres. UDOT has reviewed this appraisal and agreed to the value.

Advertising Process Used

The property has been posted with a 3’x5’ “For Sale/Lease” sign since November 1, 2014.

The Trust has received 4 inquiries to date:

- Adjoining property owner that wanted to purchase a 10’ ‘strip’ of property, but not at “market rate”; offered “a few thousand dollars” for a 10’ x 400’ strip;
- 2 different Real Estate Brokers/Developers (1 noted the price quoted was too high)
- Recycled Earth (Adjoining property owner)

Conflicts of Interest

None known.

Previous Agency Actions related to this property

Annexation into Ogden City	12/16/2003
Development Designation	10/08/2004
Archeology Clearance	02/11/2005
RDCC Approval (to sell land)	05/09/2005

Property was pulled from auction in Sept. 2006 to await higher values.

Legal Description of Subject Property

Part of the southwest quarter of Section 36, T.6N., R.2W., S.L.B. & M., U.S. Survey, described as follows:

Beginning at a point on a fence, said point being S89°17'09"W along the section line 602.45 feet and N00°42'51"W 832.32 feet from the south quarter corner of said Section 36; thence N89°26'28"W 616.27 feet to the southeast right-of-way line of Midland Drive; thence N43°26'02"E along said southeast line 906.00 feet to an existing fence; thence S00°15'43"W along said fence 146.16 feet; thence S43°26'02"W 41.00 feet; thence N89°46'00"E 28.05 feet to said existing fence; thence along said fence S00°15'43"W 88.91 feet and S00°46'48"W 399.23 feet to the point of beginning.

Contains 4.7 acres

EXHIBIT A

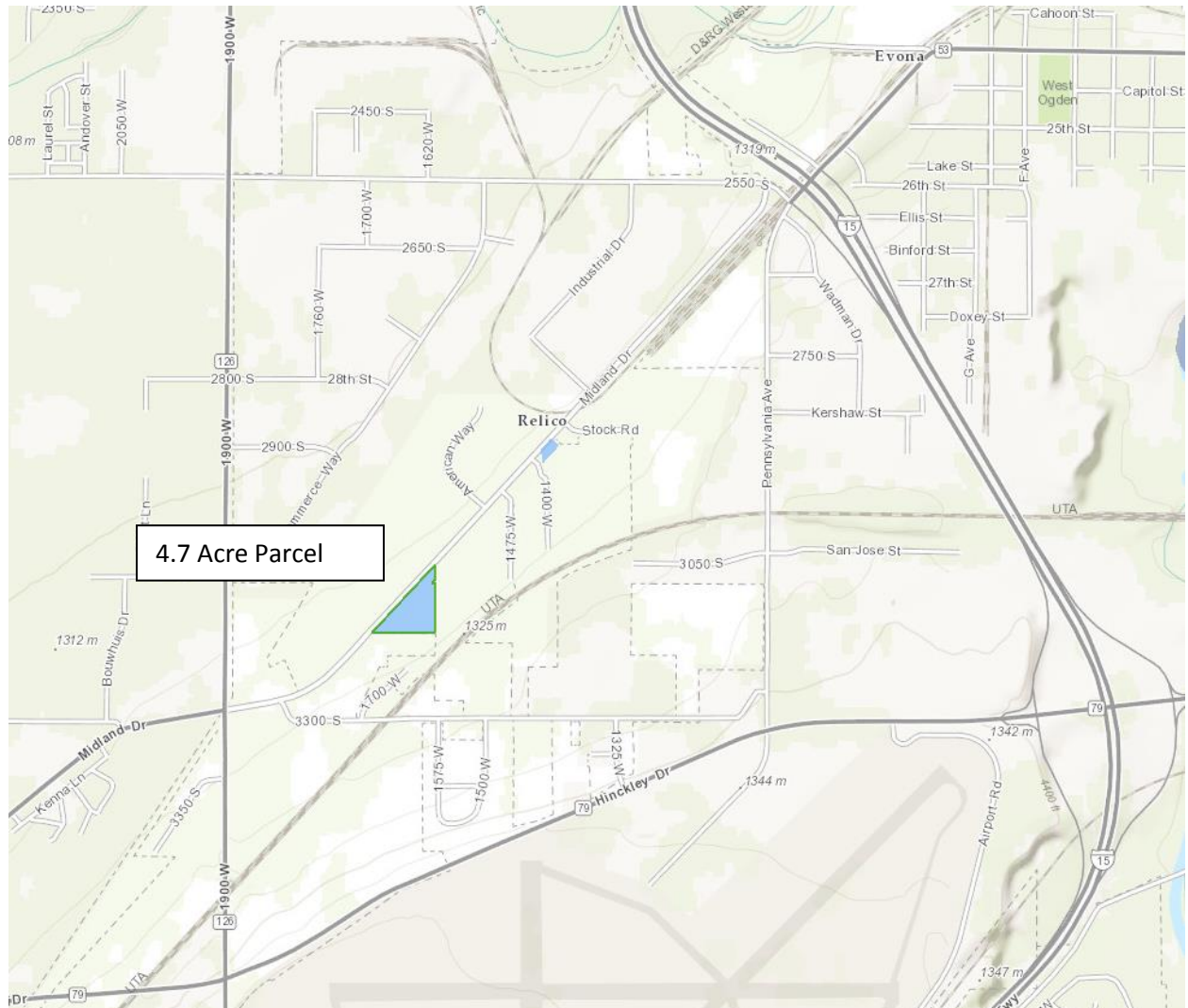


EXHIBIT B

